

COMMITTEE	Finance, Policy and Resources
DATE	30 September 2014
ACTING DIRECTOR	Ewan Sutherland
TITLE OF REPORT	Organisational Review (Phase 3) – Corporate Governance
REPORT NUMBER	CG/14/125
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to build on Phases one and two of the corporate restructuring process and to seek the Committee's approval to implement or further develop proposals which will impact specifically on the Corporate Governance Directorate.

In addition, the report will indicate how the Corporate Governance Directorate plans to refocus its support to the other services of the Council following the reconfiguration of the other two (plus one) directorates.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Notes progress in relation to the implementation of approved phase 2 recommendations within Corporate Governance.
- b) Approves the creation of a post of Business Manager within Corporate Governance (Grade 15).
- c) Approves the creation of two posts of Transformation and Improvement Adviser (Grade assessment pending).
- d) Approves the re-designation and re-profiling of a number of posts within the Directorate as set out in this report.
- e) (i) notes the comprehensive review of the ICT function and the significant employee engagement process which has accompanied this review.

- (ii) Delegates power to the Chief Executive and Director of Corporate Governance, in consultation with the Convener and Vice Convener of this Committee, to finalise the review on the understanding that the trade unions and the employees concerned are consulted fully on the proposals and that the final outcome of the review is reported to this Committee at its next meeting.
- f) (i) Notes the intention to modify the structure of the Pensions Section in response to new regulations and to transfer six staff from Revenues and Benefits to Communities, Housing and Infrastructure.
 - (ii) Delegates power to the Chief Executive and Director of Corporate Governance, in consultation with the Convener and Vice Convener of the Committee, to finalise these structural changes on the understanding that the trade unions and the employees concerned are consulted fully on the proposals and that the final outcome of the review is reported to this Committee at its next meeting.
- g) Notes that the various support functions within Corporate Governance have been re-aligned to ensure continued direct professional support to all Directorates.

3. FINANCIAL IMPLICATIONS

- 3.1 All of the proposals contained within this report will be funded from within the approved 14/15 revenue budget for the Corporate Governance Directorate or from projected future savings.

4. OTHER IMPLICATIONS

- 4.1 The holder of the proposed post of Business Manager will continue a review into administrative support services within Corporate Governance. That review will determine the support structure below the level of Business Manager.

5. BACKGROUND/MAIN ISSUES

- 5.1 At its meeting of 20 August, 2014, the Council approved recommendations in respect of the second phase of the Council's corporate re-structuring programme. The second phase dealt primarily with posts at second tier level and some associated matters. The Council recommended that the Chief Executive and her respective directors report phase three structural proposals (i.e. everything below second tier level) to the appropriate committee within two committee cycles (where possible).

5.2 As Phase 2 resulted in no substantive changes to Corporate Governance's second tier structure, the opportunity was taken to re-align certain functional areas within the directorate and between Corporate Governance and the other directorates. These changes were proposed in order to improve the efficiency and effectiveness of service delivery; better enable Corporate Governance's contribution to the delivery of key Council priorities and ensure adherence to the key principles which underpin the organisational review programme.

5.3 Taking cognisance of the context described in the preceding paragraph, the opportunity has arisen for Corporate Governance to accelerate its consideration of its Phase 3 proposals. It is considered advantageous to capitalise on this opportunity for a number of reasons. For example, it will enable the anticipated benefits arising from the proposed structural changes to be realised more quickly and (importantly) help reduce the overall timeline for the restructuring process, which is acknowledged to be an anxious period for all employees affected by it (either directly or indirectly).

5.4 Progress in implementing phase 2 proposals

The following proposals were approved by the Council in relation to Phase 2 of the re-structuring process and progress in implementing these proposals is as follows:

<u>Proposal</u>	<u>Progress</u>
(1) To transfer the Insurance Function from Finance to Commercial and Procurement Service.	One post to transfer during week commencing 3 November 2014.
(2) Members enquiries staff (2 posts) to transfer to Customer Services from Legal and Democratic	Staff likely to transfer during week commencing 1 December 2014. Members to be briefed as to new service prior to transfer
(3) Customer Services to take responsibility for a number of customer reception areas that currently report to a variety of other services	Mastrick Customer Access Point (7 posts) – transfer on 1 January 2015; Town House Reception staff (2 posts) – transfer on 1 January 2015; Revenues and Benefits front line staff and Mastrick and Tillydrone (4 posts) will report to Customer Services, likely to transfer on 1 January 2015. Discussions are being held in connection to reporting lines at Kincorth. A Complaints Officer (1 post) will transfer to Customer Services (from Community Planning and Corporate Performance)

	during week commencing 1 December 2014.
(4) Emergency Planning function to transfer from Community, Housing and Infrastructure Service	Staff scheduled to transfer during week commencing 3 November, 2014.
(5) ICT Procurement function (2 staff); Procurement legal advice (3 staff) and Social Care Contracts and Commission Team (8 staff) to transfer to Commercial and Procurement Services	Staff scheduled to transfer during week commencing 3 November, 2014.
(6) Internal Communication function (2 posts) currently in HR; the FOI; Knowledge Management; Research and Web Content functions currently in IT and Customer Services and Performance will transfer to the Office of Chief Executive	Discussions will be held with the Head of Communications, (OCE) once in post, regarding the scope of the functions being transferred and the necessary posts to support those functions.
(7) The Community Planning and Equalities functions (10 staff) will transfer to Community, Housing and Infrastructure Services	Staff scheduled to transfer during week commencing 3 November, 2014.

All staff affected by the aforementioned transfers will be given a minimum of 4 weeks notice in relation to the change of reporting lines and in most cases change of work location.

5.5 Phase 3 Proposals

- (i) **Business Manager (Grade 15):** Unlike the other Directorates, Corporate Governance does not have a post of Business Manager. This is considered to be anomalous and problematic in as much that the post of Business Manager (or equivalent) provides a key coordinating role for many of the key elements of business support required within the Council (e.g. in relation to resource, planning, committee business coordination and Health and Safety coordination). It is considered that the efficiency and effectiveness of Corporate Governance would be enhanced by the creation of this post.

Initially, the postholder would be asked to complete a review of the administrative and support functions within the directorate. It is considered that more efficient use of resources could be

achieved by centralising the Directorate's support functions under the supervisory control of the Business Manager.

This new post would be funded from within the existing CG budgetary provision.

- (ii) **CP&CP Manager:** It is proposed to redesignate the existing Community Planning & Corporate Performance Manager as Performance and Transformation Manager. This is consistent with the agreed Phase II proposal to coordinate and support the Council's internal transformation function from within Corporate Governance.

The postholder will combine responsibility for Corporate Performance matters with coordinating the Council's transformation activity – elements of which will be in direct response to unsatisfactory existing performance standards.

In addition, it is proposed to create two posts of Transformation and Improvement Advisers who would:

- Spread knowledge about and practical experience of improvement science and championing the use of continuous quality improvement approaches techniques as a way of maintaining and improving quality.
- Work with teams to support the implementation of an Improvement Framework, building capacity at a service and team level and collaborating with internal and external stakeholders.
- Support the development of an Improvement Leadership Team to ensure that its time and resource is focused to achieve the biggest gains in quality, efficiency and productivity.

These posts will be grade assessed in due course but will be financed from some of the savings being generated from the alternative delivery model of internal audit services (i.e. using transformational savings to fund a corporate resource to support and sustain future transformational activity).

- (iii) **SIP Programme Manager:** It is proposed to transfer the SIP Programme Manager from the Office of Chief Executive to Corporate Governance.

Effective and robust programme management and governance is essential for the Council to ensure it delivers on its priorities through its programmes of work. At a previous Finance, Policy and Resources Committee, the Programme Management Office was realigned to what is now the Commercial and Procurement Service. The Phase 2 restructuring paper indicated that monitoring of the Strategic Infrastructure Plan (SIP) would also be realigned to this service. The post of Strategic Infrastructure

Plan Programme Manager has therefore been realigned to come under the Head of Commercial and Procurement but will continue to have responsibility for the programme management of the SIP, working closely with CMT and in particular the Director for Communities, Housing and Infrastructure.

Through the SIP and the creation of programme management roles within the structure the Council has started to put in place more robust programme governance and is looking to embed this throughout the organisation. Having this oversight in a centralised function in Corporate Governance assists in this regard.

One of the main advantages of this new alignment is a joined up approach and the ability of services to work more closely to ensure the right levels of support from the Corporate Governance Directorate is in place at the right time. This will help with the delivery of the SIP. Another benefit of aligning SIP monitoring and the role of SIP Programme Manager to the Commercial and Procurement Service is the additional support that can be provided by the PMO, working closely with the SIP Programme Manager.

The aforementioned changes will better enable the delivery of the Council's programmes of work by embedding robust programme governance throughout the Council. All of which improves our ability to deliver on major priorities, such as the SIP.

(iv) **ICT – Restructure of Service**

The Council's ICT Service is critical to both day to day operational service delivery and in underpinning the Council's improvement and transformational plans.

With that significance of role comes significant customer expectation and associated work pressures.

As a consequence of the service having reduced by approximately one third from 2010 until the present time (i.e. 134 posts to 85) with no consequent reduction in demand, satisfaction levels with some of the services provided by ICT are fairly low. At the same time levels of morale and job satisfaction within some parts of the service are correspondingly low.

During the period between March and June 2014, ICT staff attended a series of workshops to identify issues and opportunities for positive change that would benefit both customers and staff. Virtually every staff member participated

Staff inputs were recorded and analysed and a number of work streams were identified for further development including opportunities where changes to the structure would deliver improvements for staff and customers. In addition, the following work streams were identified:

- Strategies
- Structures
- Processes
- Management and Performance
- Communications
- Culture

In view of the critical nature of the service concerned it is considered essential to amend the organisational structure of the service as soon as is practicable. Draft proposals have been drawn up but require refinement and detailed consultation with the staff and trade unions. However, in view of the fact that the Committee will not meet again until 4th December, it is recommended that approval for the structural proposals be delegated to the Chief Executive, in consultation with the Convener and Vice Convener of Finance, Policy and Resources, on the understanding that the outcome be reported to the Committee at its next meeting and that any significant resource implications be assimilated with the budget proposals for 2015/16.

Full consultation with the trade unions will clearly be undertaken and should they have any significant concerns on the matter then the proposal will be submitted to the December Committee meeting along with the union perspective.

(v) **Finance Structure**

In line with changes to legislation, it is proposed to amend the structure of the Pensions Section. A revised structure will be consulted on with the trade unions in early course. In addition it is proposed to transfer six posts from the Revenues and Benefits Section to the Communities, Housing and Infrastructure Service in view of the current job roles of the individuals concerned. Consultation will be undertaken in due course.

To ensure a timeless implementation of these amendments, it is recommended that power be delegated to the Chief Executive in consultation with the Convener and Vice Convener of this Committee to sign off on the amendments concerned, on the understanding that all necessary consultation is undertaken and that the outcome is reported to the December meeting of the Committee.

In addition to the various structural changes recommended, the major internal support functions within Corporate Governance have been

aligned to the new directorate configuration. In particular, the Finance and HR Business Partners and the ICT Account Managers.

6. IMPACT

It is considered that the various proposed changes, in addition to the previously approved changes, will impact positively on the ability of the Corporate Governance Directorate to support the rest of the Council going forward.

7. MANAGEMENT OF RISK

A process of option appraisal was undertaken in relation to the key structural changes proposed and risk analysis formed part of that process.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Ewan Sutherland
Acting Director of Corporate Governance

E-mail: esutherland@aberdeencity.gov.uk
Ext: 2550